

**INTEGRATED SAFEGUARDS DATA SHEET
APPRAISAL STAGE**

Report No.: ISDSA13781

Date ISDS Prepared/Updated: 03-Aug-2015

Date ISDS Approved/Disclosed: 06-Aug-2015

I. BASIC INFORMATION

1. Basic Project Data

Country:	Peru	Project ID:	P132515
Project Name:	Subnational Transport Support Program (P132515)		
Task Team Leader(s):	Anca Cristina Dumitrescu		
Estimated Appraisal Date:	16-Jul-2015	Estimated Board Date:	24-Sep-2015
Managing Unit:	GTI04	Lending Instrument:	Investment Project Financing
Sector(s):	Rural and Inter-Urban Roads and Highways (50%), General transportation sector (30%), General public administration sector (20%)		
Theme(s):	Decentralization (40%), Rural services and infrastructure (40%), Trade facilitation and market access (20%)		
Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)?			No
Financing (In USD Million)			
Total Project Cost:	600.00	Total Bank Financing:	50.00
Financing Gap:	0.00		
Financing Source			Amount
Borrower			500.00
International Bank for Reconstruction and Development			50.00
Inter-American Development Bank			50.00
Total			600.00
Environmental Category:	B - Partial Assessment		
Is this a Repeater project?	No		

2. Project Development Objective(s)

The Program development objectives are to (i) facilitate sustainable road access of Peru's rural populations to services, (ii) reduce transport costs on rural roads linked to priority logistics corridors,

and (iii) strengthen decentralized road management.

3. Project Description

The Program Objectives will be achieved through the following four components:

The Program Objectives will be achieved through the following four components:

Component 1 – Rehabilitation of Rural Roads Infrastructure (US\$406 million of which the Bank US\$35 million) with the following two subcomponents:

1.1 Infrastructure for Social inclusion (US\$169.7 million of which the Bank US\$27.7 million): will scale up the previous rural roads programs by prioritizing interventions that promote accessibility and social inclusion of the poorest rural areas. Activities include (i) technical design and detailed engineering studies for roads rehabilitation; (ii) decentralized execution of civil works for rehabilitation of about 1,100 km of rural roads, including road safety materials and related road users training; (iii) implementation of safeguards mitigation measures as needed; and (iv) supervision of related civil works.

1.2 Integration of the Feeder Network into Selected Logistic Corridors (US\$236.1 million of which the Bank 7.3 million): will support MTC's competitiveness agenda by improving the transitability of subnational roads linked to/feeding into five selected logistic corridors, in the regions of San Martin (corridor 1), Arequipa and Puno (corridor 5), Cusco (corridors 8 and 11), and Tarapoto-Tingo Maria (corridor 12). Activities include: (i) technical design and detailed engineering studies for roads rehabilitation; (ii) centralized execution of civil works for the rehabilitation of about 1,100 km of rural roads linked to the above-mentioned logistics corridors, including road safety materials and related road users training ; (iii) implementation of safeguards mitigation measures as needed; and (iv) supervision of related civil works.

Component 2 - Subnational Road Infrastructure Maintenance (US\$151.9 million of which the Bank US\$10 million). This component will finance activities to support an efficient and sustainable decentralized maintenance of the subnational road network. Activities will include: (i) technical design for periodic and routine maintenance contracts; (ii) centralized and decentralized execution of civil works for periodic and routine maintenance of about 2,800 km of rural roads rehabilitated in the previous program financed by the Bank and IADB, and for routine maintenance of 2,200 km of rural roads intervened under this Program. The routine maintenance will be executed by microenterprises; and (iii) supervision of related civil works.

Component 3 - Decentralized Road Management (US\$26.7 million, of which the WB US\$4.7 million). This component will finance, technical assistance, training and equipment at both subnational (RG/PG) and central (PVD) levels to support the consolidation of the decentralized transport management agenda. It will include five main sub-components: (i) strengthening the capacity of RG/PG in road transport management; (ii) institutional strengthening of PVD; (iii) development and implementation of a capacity building program for routine maintenance through microenterprises; (iv) design and implementation of local and logistics development windows (LLDW); and (v) Program monitoring and evaluation, including implementation of an information and reporting system. Activities (i), (iii) and (iv) will include incentives on gender participation and promotion.

Component 4 - Program Management (US\$15.7 million, of which the Bank US\$0.4

million). This component will cover the Program incremental administrative costs, including staff, audits, information dissemination, program activities related trainings, and operational support through consulting services. The only activity to be financed by the Bank under this component will be the external audit; the cost will be shared with IADB (Inter-American Development Bank).

4. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

The US\$600 million Program will finance rehabilitation, periodic and current maintenance works on subnational (rural and non-motorized transport tracks) throughout the territory of Peru. Under sub-component 1.1 (Infrastructure for Social Inclusion), the roads targeted are those located in the poor and remote zones included under the "National Fund for Economic Inclusion in Rural Areas" (Fondo Nacional para la Inclusion Economica en Zonas Rurales - FONIE), mostly on the Central and Eastern parts of Peru, including the Andean and Upper Amazon Regions. Under sub-component 1.2 (Integration of the Feeder Network of Selected Logistics Corridors), the roads targeted are those feeding into 5 of the main 22 road logistics corridors identified in the country. The rural roads included in the program will be scattered throughout the territory of Peru.

The Program will benefit the rural population of Peru, in particular local farmers and peasant communities (including indigenous communities), similar to previous projects, by facilitating access of population from production centers to markets and/or social services. The Program is not expected to have significant social impacts or bear social risks. The civil works aimed at rehabilitation and improvement of rural roads are expected to be carried out within existing rights of way. The Program triggers both social safeguard policies OP/BP 4.12 - Involuntary Resettlement, and OP/BP 4.10 - Indigenous Peoples. The former was triggered because the civil works may exceptionally affect property assets and/or crops due to improvements to the roads; however no physical displacement of people is expected since the Program will address only existing roads. The latter was triggered mainly because the Program is expected to also benefit Indigenous Communities among the rural population. In compliance with these policies and because specific roads for rehabilitation and improvement are not fully known before appraisal, the Borrower through its implementation agency Provias Decentralizado (PVD) has prepared both a Resettlement Policy Framework (RPF) and an Indigenous Peoples Planning Framework (IPPF) with support from consultants and guidance from the Bank team.

Both social frameworks as well as the Environmental and Social Management Framework (ESMF) follow the Bank and the IADB policies and will be applied regardless of the source of financing whenever deemed necessary as per policies requirements. These frameworks have been prepared following the requirements of both banks as well as the national legislation; whenever there was a discrepancy or gaps were found, the frameworks aimed at the highest standards which are those of the Bank policies.

5. Environmental and Social Safeguards Specialists

Alonso Zarzar Casis (GSURR)

Raul Tolmos (GENDR)

6. Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The Program does not foresee significant environmental impacts that could jeopardize the natural environment of its influential project area. Following the Operational

		<p>Policy [OP 4.01] the Program would be "Category B". This category is justified by the fact that the rural road works to be supported would not include any new road construction, while road paving will include some economic pavements within the right of way of selected roads, as justified by traffic. While the Program plans to focus largely on road rehabilitation (restoration of preexisting conditions), it would most likely also support some significant road improvements (within the existing road standards). An Environmental and Social Management Framework (ESMF) was prepared before appraisal and disclosed both in-country and at the Bank's Infoshop. The ESMF sets the rules, principles and methodology to be followed during implementation of each subproject including criteria to classify subprojects according to their levels of impact. Environmental Management Plans (EMP) will be prepared for all sub-projects once the specific locations of roads are known. The ESMF and EMPs address the whole Program co-financed by the Government, WB and IADB, and they meet the requirements of both financial institutions based on agreed common TOR, as done in previous programs.</p>
Natural Habitats OP/BP 4.04	Yes	<p>This policy is triggered since rehabilitation and improvement of rural roads might be located in natural habitats considered critical. Works will be scattered across the country, including in potentially fragile environmental regions in the Peruvian Amazon region. The ESMF includes measures to screen proposed works and sub-projects for negative impacts on natural habitats.</p>
Forests OP/BP 4.36	Yes	<p>This policy is triggered since the Program will include sub-projects located in some of the 570 districts prioritized by FONIE. Some of these districts are located in areas characterized by primary tropical forests. The ESMF determined that the potential negative impact of the project is minimal given that the proposed civil works will include rehabilitation of existing tertiary roads, and they will not involve any deforestation.</p>
Pest Management OP 4.09	No	<p>This policy is not triggered since the Program will not include procurement and use of pesticides.</p>
Physical Cultural Resources OP/BP 4.11	Yes	<p>This policy is triggered since physical cultural resources may be found particularly in the Andean region where the road rehabilitation works will be executed. The ESMF did not identify any known physical cultural resource within the broad Program area, as identified at appraisal time. However, the ESMF describes the actions that will be taken to minimize and manage likely impacts. The ESMF</p>

		includes the procedures for reviewing sub-projects for physical cultural resources issues and to manage chance finds in accordance with Bank's policy and the national legislation.
Indigenous Peoples OP/ BP 4.10	Yes	This policy is triggered due to the strong likelihood that indigenous communities be benefited by the Program since its main focus is the central highlands and the upper Amazon of Peru where a significant number of these communities are located. Since precise locations for Program intervention are not known before appraisal, the Borrower prepared an Indigenous Peoples Planning Framework (IPPF) that was cleared by the Bank. The borrower will prepare IPPs for investment sub-projects on road improvement and rehabilitation whenever this is relevant, once locations for project implementation are known. The IPPF was published in-country and at the Bank's Infoshop. Two IP national organizations have been invited in writing, by the Borrower's implementing agency, to provide feedback within a period of two weeks from disclosure: "Asociación Interétnica de Desarrollo de la Selva Peruana" representing the IP of the Amazon basin; and "Centro de Culturas Indígenas del Perú" representing the Andean people. None had any comments or suggestions. Due to the long history of involvement of the Bank in financing rural roads rehabilitation and the overwhelming positive reception these have had, a more formal consultation of the IPPF was not deemed necessary.
Involuntary Resettlement OP/BP 4.12	Yes	This policy is triggered because it is likely that some small areas for cultivation, also crops and maybe some houses built next to roads, may be affected by civil works to improve these rural roads. Precise locations for project intervention will not be known before appraisal, and for this reason the borrower has prepared a Resettlement Policy Framework (RPF) that was cleared by the Bank and disclosed both in-country and at the Bank's Infoshop. This will guide the preparation of Resettlement Action Plans (RAP) whenever needed.
Safety of Dams OP/BP 4.37	No	This policy is not triggered as the Program will neither support the construction nor rehabilitation of dams, nor will it support other investments which rely on services of existing dams.
Projects on International Waterways OP/BP 7.50	No	This policy should is not triggered as the Program will not finance activities involving the use or potential pollution of international waterways.
Projects in Disputed	No	This policy is not triggered as the Program will not

Areas OP/BP 7.60	finance activities in disputed areas as defined in the policy.
------------------	--

II. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:
There are no large scale or significant social impacts.
2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:
There are not known indirect and/or long term impacts.
3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.
There are no project alternatives considered, since adverse impacts are minimal, if any.
4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.
In order to have adequate conditions and needed requirements for the preparation, implementation and supervision of safeguard related instruments, it has been agreed with the implementing agency Provias Decentralizado (PVD) that a socio-environmental unit will be created in PVD headquarters, to include three specialists (on environment, Indigenous Peoples, and resettlement). PVD will also include social specialists in its local offices in areas where there is a significant presence of indigenous communities. PVD will be responsible for the preparation and implementation of the safeguard instruments and its related supervision, while the Bank will perform safeguards supervision and training as needed. The General Directorate for Environmental and Social Matters within the Ministry of Transport and Communications will be responsible for approving safeguard related instruments as required by the national legislation. The detailed institutional arrangements and procedures for the preparation, approval, implementation, and supervision of safeguard instruments, are included in the respective frameworks.
5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.
Key stakeholders are the local farmers and road users, including some indigenous communities, who will benefit from project investments. Both social frameworks have in place mechanisms and detailed procedures for consultation with potentially affected people. The two social frameworks were disclosed in-country (on PVD's website: http://www.proviasdes.gob.pe/index.html), and PVD invited two national Indigenous organizations to provide comments on the IPPF.

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other	
Date of receipt by the Bank	02-Jul-2015
Date of submission to InfoShop	08-Jul-2015
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	00000000

"In country" Disclosure	
Peru	02-Jul-2015
<i>Comments:</i> The ESMP was published on PVD website : http://www.proviasdes.gob.pe/index.html	
Resettlement Action Plan/Framework/Policy Process	
Date of receipt by the Bank	02-Jul-2015
Date of submission to InfoShop	13-Jul-2015
"In country" Disclosure	
Peru	02-Jul-2015
<i>Comments:</i> The RFP was published on PVD website : http://www.proviasdes.gob.pe/index.html	
Indigenous Peoples Development Plan/Framework	
Date of receipt by the Bank	02-Jul-2015
Date of submission to InfoShop	13-Jul-2015
"In country" Disclosure	
Peru	02-Jul-2015
<i>Comments:</i> The IPPF was published on PVD website : http://www.proviasdes.gob.pe/index.html	
If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.	
If in-country disclosure of any of the above documents is not expected, please explain why:	

C. Compliance Monitoring Indicators at the Corporate Level

OP/BP/GP 4.01 - Environment Assessment	
Does the project require a stand-alone EA (including EMP) report?	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>] NA [<input type="checkbox"/>]
OP/BP 4.04 - Natural Habitats	
Would the project result in any significant conversion or degradation of critical natural habitats?	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>] NA [<input type="checkbox"/>]
If the project would result in significant conversion or degradation of other (non-critical) natural habitats, does the project include mitigation measures acceptable to the Bank?	Yes [<input type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
OP/BP 4.11 - Physical Cultural Resources	
Does the EA include adequate measures related to cultural property?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
OP/BP 4.10 - Indigenous Peoples	
Has a separate Indigenous Peoples Plan/Planning Framework (as appropriate) been prepared in consultation with affected Indigenous Peoples?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]

If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
If the whole project is designed to benefit IP, has the design been reviewed and approved by the Regional Social Development Unit or Practice Manager?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
OP/BP 4.12 - Involuntary Resettlement	
Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
OP/BP 4.36 - Forests	
Has the sector-wide analysis of policy and institutional issues and constraints been carried out?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Does the project design include satisfactory measures to overcome these constraints?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Does the project finance commercial harvesting, and if so, does it include provisions for certification system?	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>] NA [<input type="checkbox"/>]
The World Bank Policy on Disclosure of Information	
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
All Safeguard Policies	
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Have costs related to safeguard policy measures been included in the project cost?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]

III. APPROVALS

Task Team Leader(s):	Name: Anca Cristina Dumitrescu	
<i>Approved By</i>		
Safeguards Advisor:	Name: Francis V. Fragano (SA)	Date: 03-Aug-2015
Practice Manager/ Manager:	Name: Jose Luis Irigoyen (PMGR)	Date: 06-Aug-2015